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EXAMINER

HARBECK, TIMOTHY M

ART UNIT PAPER NUMBER

3628

DATE MAILED: 05/02/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/698,640

Applicant(s)

MARKS, JEFFREY S.

Examiner

Timothy M. Harbeck

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 24 February 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)             | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

## DETAILED ACTION

### *Claim Rejections - 35 USC § 112*

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 14 and 15 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 14 states in part "grouping, prior to bidding, comprises grouping a plurality of unknown potential customers based on said grouping criteria." However it is unclear how an unknown customer can be grouped prior to bidding according to the specification (Fifth embodiment, page 21). It appears from the specification that customers can be grouped, after the bidding session, since the merchant is bidding on potential customers and these potential customers become part of the group after the fact (Page 21, line 9-11). Furthermore, since the eventual number of customers is actually indefinite (unknown), the grouping of a plurality of these customers is also indefinite, and the scope of the claim cannot be determined. It is also unclear how anything that is "unknown" can be quantified and grouped. For the purposes of examination, the examiner has interpreted this claim in a similar manner to claim 4, involving the bidding of merchants of future buyers. Appropriate clarification and correction is required.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1, 4, 6, 12-14 and 16 are rejected under 35 U.S.C. 102(e) as being anticipated by Shkedy (US 6,260,024 B1).

**Re Claim 1:** Shkedy discloses a computer implemented method for an online auction of the type wherein a plurality of customers may purchase a product supplied by one or more merchants, said method comprising the steps of:

- Acquiring over a network, customer information from said plurality of customers (See Fig 1, Buyers A-E; Column 8 lines 45-49), said customer information including a Preferred Program Term selected from one or more Program Terms associated with said product (Column 13, lines 35-43; preferences indicated)
- Automatically grouping said plurality of customers into one or more pools prior to an auction in accordance with said selected Preferred Program Term (Column 3, lines 39-52), wherein said Preferred Program Term comprises indicia associated with said product (See ball point pen

example Column 5, lines 31-42 and Airline example Column 13, lines 35-43)

- Receiving, over said network, bids from said one or more merchants in connection with providing with providing said product collectively to said one or more pools of said plurality of customers (Column 3, lines 52-55)
- Comparing said bids from said merchants to select a preferred bid from a preferred merchant (Column 3, lines 55-56).
- Notifying, over said network, said preferred merchant of said preferred bid (Fig 9; Ref 970)

**Re Claim 4:** Shkedy discloses the claimed method supra and further discloses wherein potential customers are grouped into ghost pools, and wherein said merchants bid on said ghost pools to obtain the right to provide a previously agreed upon number of said potential customers with said product (Column 7, lines 26-42).

**Re Claim 6:** Shkedy discloses the claimed method supra and further discloses grouping said customers into at least a second pool comprising at least one of a Characteristic Pool and a Commitment Pool (Column 14, lines 7-25). Customers are further grouped into a specific pool date comprising a commitment to a specific date on which the seller can bid to offer the service.

**Re Claim 12:** Shkedy discloses a method of facilitating bidding by merchants on the opportunity to provide at least one of a product and service to a defined group of customers, the method comprising

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- Grouping, prior to said bidding, a plurality of customers into a defined group according to established grouping criteria associated with said at least one of a product and service requested by said group of customers (Column 3, lines 39-52)
- Submitting for auction to a plurality of merchants the opportunity to provide said at least one of a product and service to said defined group of customers (Column 3, lines 52-55)
- Receiving a plurality of bids from said plurality of merchants regarding said opportunity (Column 3, lines 52-55)
- Selecting a preferred bid from said plurality of bids for award of said opportunity (Column 3, lines 55-56)
- Notifying one of said plurality of merchants of said selection of said preferred bid (Fig 9; Ref 970)

**Re Claim 13:** Shkedy discloses the claimed method supra and further discloses wherein said establish grouping criteria comprises at least one of an express commitment to be bound by said preferred bid (Column 8, lines 49-50), a common demographic characteristic of said plurality of customers, a preferred grouping criterion selected by said plurality of customers, and a common ranking of grouping criteria by said plurality of customers.

**Re Claim 14:** Shkedy discloses the claimed method supra and further discloses wherein said grouping, prior to said bidding, comprises grouping a plurality of unknown potential customers based on said grouping criteria (Column 7, lines 26-42).

**Re Claim 16:** Shkedy discloses the claimed method supra and further discloses the step wherein subdividing said defined group of customers based on secondary grouping criteria (Column 14, lines 7-25). Customers are further grouped into a specific pool date comprising a commitment to a specific date on which the seller can bid to offer the service.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2, 5, 7, 9, 15 and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shkedy.

**Re Claim 2:** Shkedy discloses the method of claim 1 supra but does not explicitly disclose wherein said grouping step includes grouping said customers via characteristic pooling in accordance with a Program Term associated with a characteristic of said customers. However, Shkedy does note that this system and method can apply to any commerce situation involving buyers and sellers (see abstract) and further lists certain types of these situations including the potential exchange of rental cars, insurance and mortgages (Column 13, lines 19-22). It was notoriously well known, and obvious to anyone of ordinary skill in the art at the time of invention that these situations often require customer characteristic information in order to be grouped. For example, rates for rental cars, insurance and mortgage are variable

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greatly based upon customer characteristics like age, credit history and location and therefore in order to get an appropriate pool, listing these characteristics as part of the conditions would be advantageous. This will allow for a better overall match between pooled applicants, making it more likely that a seller will place a bid.

**Re Claim 5:** Shkedy discloses the claimed method supra but does not explicitly disclose wherein said grouping said plurality of customers into pools in accordance with the customers predefined ranking of two or more Program Terms. However, Shkedy does disclose that customers can enter a plurality of Program terms and the step of ranking and/or filtering such terms is notoriously well known in the art and would be obvious to anyone of ordinary skill. This provides an additional layer for the buyer to ensure that the most optimal deal is made. For example, if a person were purchasing a plane ticket out of a major city, they may have a preference as to a particular airport and time of departure, however if an exact match does not work one characteristic may be more valuable to that person than the other. In providing a simple ranking of features, the customer can further specify their preferences, in case an ideal match is unavailable.

**Re Claim 7:** Shkedy discloses the claimed method supra but does not explicitly disclose repeating said receiving and comparing steps in successive auction stages based upon at least one of successive Program Terms and successive pool groupings to arrive at a final preferred bid relative to said pool. However it would have been obvious to anyone of ordinary skill at the time of invention to include this step to the method of Shkedy so that the best possible bid, relative to the pool, can be secured. In



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many situations there are a number of variables relative to the pools that factor into the selection of a bid. While one particular variable may be most important, there may be a number of other secondary variables that can assist in further defining which bid is "optimal." If multiple bidders satisfy the primary concern of the pool, by repeating the receiving and comparing steps for the secondary variables, the method can further define which bid truly is the most consistent with the overall needs of the pool.

**Re Claim 9:** Shkedy discloses the claimed method supra but does not explicitly disclose the step wherein said ghost pool comprises all customers signing up for said product during a particular time frame. However this step would have been obvious to anyone skilled in the ordinary art as part of the negotiated terms of the supply contract (Column 7, lines 26-29). If no time frame were presented as part of this deal, the supply contract would essentially be a quasi-life contract and would stifle the auction process that the method seeks to establish. While the method mentions beating the "published" price of competitors, an even lower price could be established through the auction process. While a pre-arranged contract has its place, setting a limit in terms of time frame would be obvious as a means to encourage future price competition among vendors.

**Re Claim 15:** Shkedy discloses the claimed method supra but does not explicitly disclose the step wherein said grouping criteria comprises a time frame during which said potential customers commit to receive said at least one of a good or service. However this step would have been obvious to anyone skilled in the ordinary art as part of the negotiated terms of the supply contract (Column 7, lines 26-29). If no time frame

were presented as part of this deal, the supply contract would essentially be a quasi-life contract and would stifle the auction process that the method seeks to establish. While the method mentions beating the "published" price of competitors, an even lower price could be established through the auction process. While a pre-arranged contract has its place, setting a limit in terms of time frame would be obvious as a means to encourage future price competition among vendors. Furthermore, Shkedy discloses that participants can both enter parameters relative to their time frame (Column 5, lines 35-42), which further indicates a commitment within the supply contract framework.

**Re Claim 17:** Shkedy discloses the claimed method supra but does not explicitly disclose the step of repeating said submitting and selecting steps in successive auction stages based on successive groupings of said plurality of customers based on different grouping criteria. However it would have been obvious to anyone of ordinary skill at the time of invention to include this step to the method of Shkedy so that the best possible bid, relative to the pool, can be secured. In many situations there are a number of variables relative to the pools that factor into the selection of a bid. While one particular variable may be most important, there may be a number of other secondary variables that can assist in further defining which bid is "optimal." If multiple bidders satisfy the primary concern of the pool, by repeating the receiving and comparing steps for the secondary variables, the method can further define which bid truly is the most consistent with the overall needs of the pool.

Claim 3, 8, 10-11 and 18-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shkedy in view of Shoham (US 6,584,451 B1).

**Re Claim 3:** Shkedy discloses the method of claim 1 supra but does not explicitly disclose the step wherein said grouping step includes grouping said customers via commitment pooling in accordance with a Program Term associated with the customer's level of commitment. Shoham discloses a facilitator for aggregating buyer power in an online market system that allows potential buyers the option of submitting conditional bids (Column 6, lines 48-60). Shoham also leaves open the possibility of a withdrawal of initial buyer interest (Column 6, lines 17-27). It would be obvious to anyone of ordinary skill at the time of invention to include the teachings of Shoham to the disclosure of Shkedy so that a potential buyer can indicate their unwavering commitment to the purchase of an item and therefore be pooled with other like buyers. This represents a firm commitment to the potential seller and they will be more willing to offer lower prices or better terms to this group as they will have a better idea of the true nature of the deal than with groups of conditional offers or withdrawal options.

**Re Claim 8:** Shkedy in view of Shoham discloses the claimed method supra and Shkedy further discloses wherein said level of commitment is determined by a prior affirmative commitment by said customers to purchase said product in accordance with said preferred bid by said preferred merchant (Column 8, lines 49-50).

**Re Claim 10:** Shkedy discloses the claimed method supra but does not explicitly disclose calculating a Term Ratio as a function of different rankings of said two or more program terms by said plurality of customers to facilitate grouping of customers who

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provided different rankings into a common pool to further facilitate bidding by merchants on the opportunity to provide said product to said customers with said common pool.

Shoham discloses the use of seller schedules wherein a seller releases the price of a product as a function of quantity. In other words the seller states his willingness, via some function, to decrease the per unit price of said product depending on the total amount of units sold. It would have been obvious to anyone of ordinary skill at the time of invention to include the teachings of Shoham to the disclosure of Shkedy so that buyers can issue a range of possible FPO's and can be pooled even if they are not in complete lock step with one another. At some points in the seller schedule, the buyers may be in agreement, and can thus be pooled to take advantage of the power of aggregating their orders.

**Re Claim 11:** Shkedy in view of Shoham discloses the claimed method supra and Shoham further discloses wherein said Term Ratio facilitates adjustment of a bid value relative to a second of said Program Terms based on a merchant's bid relative to a first of said Program terms (Column 5, lines 16-58). Bids are adjusted relative to the total amount of the product that can be moved.

**Re Claim 18:** Shkedy discloses the claimed method supra but does not explicitly disclose establishing a Term Ratio as a function of a plurality of grouping criteria to facilitate grouping of said plurality of customers based on at least one of varied selection and varied ranking of grouping criteria of said plurality of customers. Shoham discloses the use of seller schedules wherein a seller releases the price of a product as a function of quantity. In other words the seller states his willingness, via some function, to

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decrease the per unit price of said product depending on the total amount of units sold. It would have been obvious to anyone of ordinary skill at the time of invention to include the teachings of Shoham to the disclosure of Shkedy so that buyers can issue a range of possible FPO's and can be pooled even if they are not in complete lock step with one another. At some points in the seller schedule, the buyers may be in agreement, and can thus be pooled to take advantage of the power of aggregating their orders.

**Re Claim 19:** Shkedy in view of Shoham discloses the claimed method supra and Shoham further discloses wherein said Term Ratio facilitates adjustment of a bid value relative to a second of said grouping criteria based on a merchant's bid relative to a first of said grouping criteria (Column 5, lines 16-58). Bids are adjusted relative to the total amount of the product that can be moved.

### ***Response to Arguments***

Applicant's arguments filed 2/24/2006 have been fully considered but they are not persuasive. In amending the claims applicant has added limitations that change the scope of the invention and necessitated a further search of the prior art. Specifically adjusting the limitation of "one or more," to "a plurality," results in a significant change in scope, as does the added limitation that the pooling occurs "prior to an auction." It is believed that the newly cited references disclose or suggest each and every limitation of the amended claims and therefore the action is made final.

### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

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§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.


Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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